

Message Text

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51

ORIGIN OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-07 COME-00 TRSE-00 OES-05

FEAE-00 /029 R

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NEA/ARN:DDEAN

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FM SECSTATE WASHDC

TO AMEMBASSY AMMAN PRIORITY

UNCLAS STATE 145171

E.O. 11652: N/A

TAGS: EINV

SUBJECT: POLITICAL RISK CONVERTIBILITY INSURANCE (OPIC) /

1. PART OF OPIC'S POLITICAL RISK INSURANCE FOR AMERICAN INVESTORS IS INSURANCE AGAINST A DETERIORATION OF EXISTING CURRENCY CONVERTIBILITY RIGHTS. IN COUNTRIES WHERE AT THE TIME OF EXECUTION OF THE INSURANCE CONTRACT OPIC KNOWS OF NO SIGNIFICANT DELAY BY EXCHANGE AUTHORITIES IN APPROVING TRANSFERS OF LOCAL CURRENCY TO U. S. DOLLARS, THE OPIC STANDARD CONTRACT OF INSURANCE WILL PERMIT THE INVESTOR TO MAKE AN INCONVERTIBILITY CLAIM AGAINST OPIC IF A REQUEST FOR TRANSFER BY AN INSURED INVESTOR IS NOT HONORED WITHIN EITHER THIRTY DAYS, IF A RESULT OF ACTIVE

BLOCKAGE, OR SIXTY DAYS, IF A RESULT OF PASSIVE BLOCKAGE. WHERE DELAYS IN TRANSFER AT THE TIME OF THE EXECUTION OF THE INSURANCE CONTRACT ARE KNOWN TO OPIC, OPIC'S CONTRACT MAY INCLUDE SPECIAL LANGUAGE TO DEFINE THE WAITING PERIOD.

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2. IT IS IMPORTANT THAT OPIC HAVE ACCURATE AND CURRENT

INFORMATION ON PREVAILING LOCAL POLICIES, PROCEDURES AND/OR PRACTICES WHICH CAUSE OR MAY CAUSE DELAYS IN CURRENCY TRANSFERS. SUCH POLICIES, PRACTICES, AND/OR PROCEDURES MIGHT BE OF GENERAL APPLICATION OR OF SPECIAL APPLICATION

TO LOANS, DIVIDENDS, ROYALTIES OR TO CERTAIN INDUSTRIES, INVESTORS, OR COMMODITIES. ORDINARILY, OPIC HAS ACCESS TO PERTINENT LOCAL LAWS AND REGULATIONS IN IMF OR OTHER PUBLICATIONS. VERY RECENTLY ENACTED LAWS AND/OR REGULATIONS OR NEW LEGISLATION UNDER CONSIDERATION SHOULD ALSO BE REPORTED, HOWEVER.

3. IT IS REQUESTED THAT ADDRESSEE INFORM OPIC BY JUNE 25, 1975 OR AS SOON THEREAFTER AS POSSIBLE OF THE CONVERSION PERIOD OR PERIODS CURRENTLY IN EFFECT. IF DELAYS OVER THIRTY DAYS ARE RECURRENT, PLEASE DESCRIBE THE REASONS FOR SUCH DELAYS.

4. IN OBTAINING THIS INFORMATION IT IS IMPORTANT TO GO BEYOND OFFICIAL BAND AND GOVERNMENT SOURCES TO THE ACTUAL EXPERIENCE OF AMERICAN INVESTORS SINCE THERE MAY BE A

VARIANCE OF INFORMATION.

5. IN THE EVENT ANY SIGNIFICANT CHANGE OCCURS IN CONVERSION PRACTICES, IT IS REQUESTED THAT OPIC BE NOTIFIED.

6. ADDITIONALLY, COMMENTS OF ADDRESSEE ARE INVITED REGARDING THE POSSIBLE IMPACT ON TRANSFERS OF PROJECTED SUBSTANTIAL INCREASES IN THE FOREIGN EXCHANGE COSTS OF ENERGY. KISSINGER

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